

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: April 21, 2021

PAYROLL LETTER #21-003
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
Personnel and Payroll Services Division

RE: REPRESENTED EMPLOYEE CASH OUT OF VACATION/ANNUAL LEAVE PROGRAM – FISCAL YEAR 2020-2021

This Payroll Letter provides information on how to process payments for Bargaining Units 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 for the cash out of Vacation/Annual Leave. For details of the program, please reference [CalHR's Human Resources Manual Section 2104](#).

Departments electing to participate must submit payment requests beginning June 1, 2021 and no later than June 25, 2021. Per CalHR, payments must be charged to the fiscal year 2020-2021 and issue dated by June 28, 2021. The payments are based on the employee's hourly salary rate multiplied by the number of hours bought back.

For employees that receive pay differentials, each pay differential should be reviewed. If the pay differential indicates "yes" to "lump sum vacation" or "lump sum extra" the pay differential amount shall be included when calculating the eligible employee's hourly salary rate for purposes of the cash out. Refer to [CalHR's Pay Differentials](#) website page for the pay differential information. If the employee participates in the Voluntary Personal Leave Program (VPLP), the salary rate should not be reduced by the VPLP amount when calculating the hourly rate for purposes of the cash out.

Bargaining Unit 6 – 7K Exemption Employees

Per the Unit 06 Salary Conversion Tables located on [CalHR's pay scale section 7](#), departments should use the hours per pay period listed in the pay scales to calculate the hourly rate.

TAXES

The payments are NOT subject to retirement. The payments are subject other mandatory deductions (where applicable) and the tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.2% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**
- 2.35% Medicare for wages over \$200,000 (if applicable)

ELIGIBILITY

Please reference [CalHR's Human Resources Manual Section 2104](#) for additional information.

PROCESSING PAYMENTS

Submit all payment requests via the PIP System. Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information to enter into the PIP System and keep forms for department records. Please refer below for form STD. 671 completion instructions.

PIP Earnings IDs for non-CLAS Departments and Bargaining Unit 6-7K Exemption Employees

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave and Vacation Cash Out	9V

PIP Earnings IDs for CLAS Departments

The following Earnings IDs will issue payments and update CLAS leave benefits.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave Cash Out	AL34
Vacation Cash Out	VA34

Before keying via PIP, complete form STD. 671, items 1-3, 15-17, and 19-21 as follows:

ITEM NUMBER(S)	ITEM NAME	ACTION
1-3	Pay Period	Complete (must be June 2021)
15	Earnings ID	Complete
16	Days	Blank
17	Hrs/Hdths	Blank if Earnings ID = 9V Enter hours if Earnings ID = AL34 or VA34
19	Hourly Rate	Blank
20	WWG/FLSA	Blank
21	Computed Gross	Complete

FORM STD. 674 PAYMENT REQUESTS

If an employee is off pay status during June 2021, pay must be requested via form STD. 674. If requesting payment using form STD. 674, do not use the CLAS Earnings IDs. Refer to PPM Section G 105 for form STD. 674 completion instructions.

Please direct questions regarding cash out payments to the Statewide Customer Contact Center at (916) 372-7200. Questions regarding CLAS should be directed to the Leave Accounting Liaison at (916) 327-0756.

Additional Contact:

- [Statewide Customer Contact Center](tel:9163727200) (916) 372-7200
- HR Suggestions Email (All HR Staff) PPSDHRSuggestions@sco.ca.gov
- CSU Inquiry Email (HR Supervisors and Managers) PPSDCSUInquiry@sco.ca.gov
- Cal Employee Connect Email connecthelp@sco.ca.gov
- Cal Employee Connect Feedback Email connectfeedback@sco.ca.gov

SCO Key Initiatives:

- [Cal Employee Connect Project](#)
- [CalATERS Replacement Project](#)
- [California State Payroll System Project](#)